

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2757

ANSWERED ON:14.03.2016

Export Oriented Units

Dubey Shri Nishikant ;Singh Shri Dushyant

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the total number of Export Oriented Units (EOUs) set up in the country during the last five years and the current year including those which are functional and non-functional, State/UT-wise;
- (b) whether there has been a gradual decline in the number of functional EOUs since 2009-10;
- (c) if so, the details thereof along with the reasons therefor and the corrective measures taken by the Government to control this decline;
- (d) whether there is no internal audit mechanism to assist in oversight of the functioning of EOUs;
- (e) if so, the details thereof and the measures taken by the Government to institutionalize such an internal audit system; and
- (f) whether the Government proposes to set up more EOUs in various States including Jharkhand and if so, the details thereof, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) Madam, a statement of State/UT-wise number of Export Oriented Units (EOUs) set up in the country from the year 2010-2011 is at Annex.

(b) & (c) There has been a decline in the number of functional EOUs from 2485 at the end of the year 2011 to 1977 at the end of the year 2015. The primary reason for declining trend in functional units is discontinuation of Income Tax benefits on the export profits to EOUs from April 2011. Department of Commerce had constituted a Review & Revamp Committee in 2011 for suggesting steps to make the scheme of 100% EOUs more vibrant and attractive to investors. Certain recommendations of the Committee have already been incorporated in the 5 year Foreign Trade Policy announced on 01.04.2015.

(d) & (e) Excise Audit - 2000 is regularly carried out on EOUs by the Central Excise field formations. CBEC has issued guidelines vide Circular No. 35/2001-Cus dated 15.06.2001 and Circular No. 41/2001-Cus dated 23.07.2001 regarding joint monitoring of EOUs. Apart from this, a system of internal control and Joint Monitoring has been developed. Detailed guidelines have been provided for monitoring of EOUs in Appendix 6 F of Hand Book of Procedures under the Foreign Trade Policy 2015-20. Instructions have also been issued to the jurisdictional Development Commissioners for engaging Chartered Accountants for this purpose.

(f) The scheme of 100% EOUs does not envisage setting up of EOUs by the Government. As per the scheme, the exporters who desire to avail the benefits provided under Chapter 6 of the Foreign Trade Policy 2015-2020 to 100% EOUs and willing to work under the bonded environment can apply to the jurisdictional Development Commissioner of SEZ and avail the benefits of the 100 % EOU Scheme after fulfilling all the requirements of the scheme.

Annex

State/UT wise Details of EOUs approved/setup from the year 2010-2011 onwards.

Zone States Number of Functional/Non-Functional EOUs

CSEZ Kerala 22

Karnataka 109

FASEZ West Bengal 08

Bihar 0

Jharkhand 0

Odisha 01

Assam 0

Tripura 0

Mizoram 0

Manipur 0

Meghalaya 0

Nagaland 0

Arunachal Pradesh 01

Sikkim 0
ISEZ Madhya Pradesh 59
KASEZ Gujarat 52
MEPZ Tamil Nadu 117
Pondichery 03
A & N Islands 00
NSEZ Delhi 05
Haryana 14
Uttar Pradesh 18
Punjab 01
Rajasthan 09
Himachal Pradesh 05
Jammu & Kashmir 01
Chandigarh 00
Uttarakhand 01
SEEPZ Maharashtra 43
Goa, Daman & Diu 11
Dadra & Nagar Haveli 01
VSEZ Andhra Pradesh 30
Chhatisgarh 01
Telangana 60
Yanam 00
